

# Smart Growth in Ontario:

## **A Provincial Progress Report on Smart Growth and Urban Sprawl**

*August 2003*

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## Table of Contents

Table of Contents.....	1
Introduction .....	2
Why Ontario Needs A Smart Growth Strategy .....	4
A Smart Growth Agenda vs. Provincial Action to Date.....	7
Conclusions.....	12
Appendix 1 Smart Growth in Ontario: A Chronology .....	13

## Introduction

In February 2003, the Pembina Institute published *Smart Growth in Ontario: The Promise vs. Provincial Performance* ([http://www.pembina.org/publications\\_item.asp?id=149](http://www.pembina.org/publications_item.asp?id=149)). The report highlighted the air quality, land use and economic problems associated with current urban development patterns in Ontario, particularly in the Greater Toronto and Niagara regions. These are dominated by low-density residential, business and commercial developments, usually onto prime agricultural lands, and for which the automobile is the only viable means of passenger transportation.

The report also highlighted the remarkable consensus that has emerged among academic researchers, financial institutions, business organizations, government agencies, and environmental and community groups on the need for more environmentally and economically sustainable development patterns in the region. These would emphasize “smart growth” principles rather than the current pattern of urban sprawl. The differences between conventional and smart growth approaches to urban development are outlined in the following table:

**Table 1 Comparing Smart Growth and Sprawl<sup>1</sup>**

<b>Feature</b>	<b>Smart Growth</b>	<b>Sprawl</b>
<b>Land Use Density</b>	Higher density, clustered	Lower density, dispersed
<b>Development Location</b>	Infill (brownfields and greyfields)	Urban periphery (greenfields)
<b>Land Use Mix</b>	Well-mixed	Homogeneous, not mixed
<b>Transportation</b>	Multi-modal – supports walking, cycling and public transit	Automobile-oriented — poorly suited for walking, cycling and transit
<b>Streets</b>	Designed to accommodate a variety of activities — traffic calming	Designed to maximize motor vehicle traffic volume and speed
<b>Planning Process</b>	Planned — coordinated between jurisdictions and stakeholders	Unplanned — little coordination between jurisdictions and stakeholders

The Pembina Institute’s February 2003 report outlined what a provincial policy framework for urban land use and development reflecting smart growth principles would look like in Ontario. The report then assessed current provincial policies in the areas of land use planning, infrastructure funding, fiscal and taxation issues, sustainable energy and governance structures.

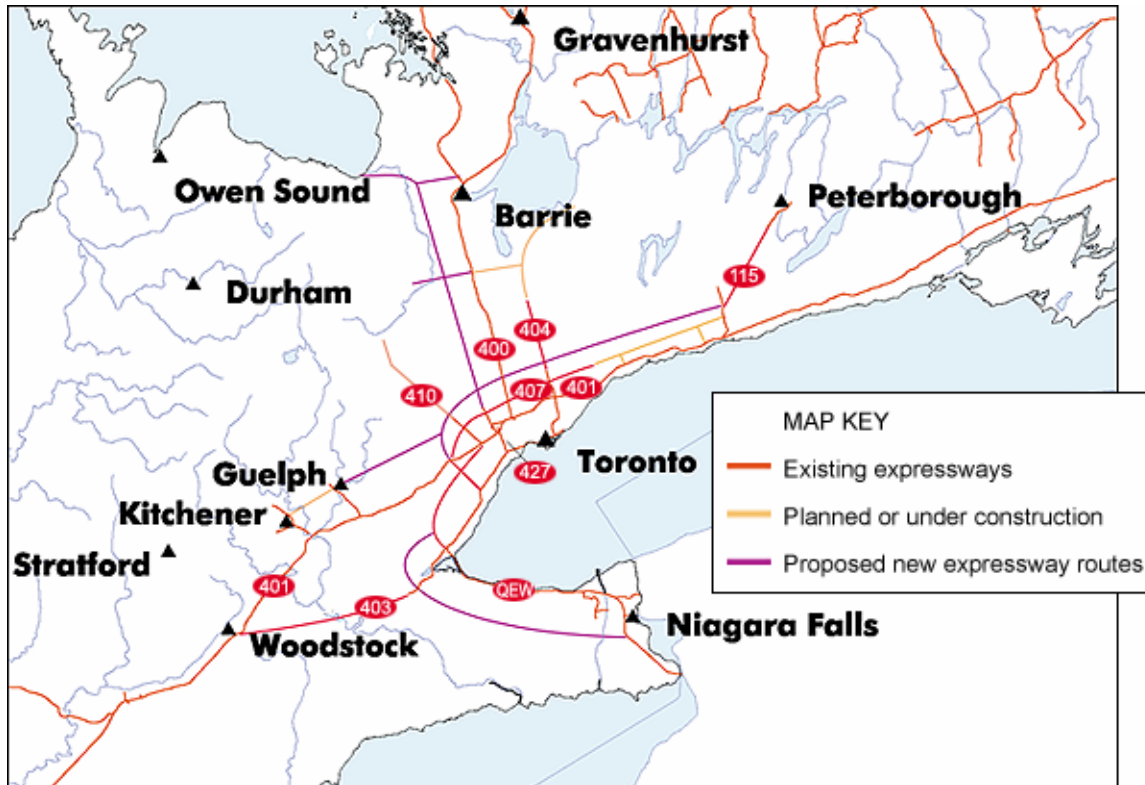
The report concluded that there had been little progress on the implementation of smart growth policies by the province of Ontario in the two years since Premier Harris’s

<sup>1</sup> Adapted from Litmann, T. 2000. *An Economic Evaluation of Smart Growth and TDM*. Victoria: Victoria Transport Policy Institute, p.6.

announcement of the province's smart growth initiative, and that the provincial land use, fiscal and infrastructure policies that were encouraging and facilitating sprawl largely remained in place.

This report provides an update on provincial progress against the smart growth framework outlined in the Pembina Institute's February 2003 report.

**Figure 1 Planned and Proposed New Highways in the Toronto and Niagara Regions**



## Why Ontario Needs A Smart Growth Strategy

The consequences of the continuation of the current patterns of low-density urban development (business-as-usual) in the Toronto-centred region (defined as the area from Midland in the north, to Fort Erie in the south, Waterloo in the west and Peterborough in the east) are severe. The Neptis Foundation (<http://www.neptis.org/>), for example, has made the following projections with respect to land use, transportation and infrastructure costs associated with “business-as-usual” development patterns in the region over the next 30 years.

**Table 2 The Impacts of “Business-as-Usual” Urban Sprawl in the Toronto Region 2001–2031**

Issue	Impact
Population	The region’s population will grow from 7.4 million in 2000 to 10.5 million in 2031 — an increase of 43%.
Land use	In the region, 1,070 square kilometres of land will be urbanized. This is almost double the area of the City of Toronto and a 45% increase in the amount of urbanized land in the region. Of the land on which this urban growth will occur, 92% will be Class 1, 2, or 3 agricultural lands as classified by the Canada Land Inventory; 69% will be Class 1 land.
Transportation	Automobile ownership in the region will increase by 50% to 19 million vehicles. The value of delays due to traffic congestion, principally in the 905 region surrounding Toronto, will increase from about \$1 billion per year to \$3.8 billion per year. Daily vehicle kilometres of auto travel in the region will increase by 64%. Reflecting this increase in auto travel, the costs associated with automobile accidents will rise from \$3.8 billion in 2000 to \$6.3 billion. Reflecting the low levels of transit use in the regions outside of the City of Toronto, where most of the growth will occur, relative to the City (transit model share for Toronto: 28%; for surrounding area: 5.4%), the total transit model share will decrease by 11%. Emissions of transportation-related greenhouse gas (GHG) emissions are projected to increase by 42%. Reflecting reliance on the automobile for transportation, GHG emissions in new suburban areas are projected to increase 526% relative to current levels.
Infrastructure	It is estimated that \$33 billion in new investments will be needed in water and wastewater treatment infrastructure. Between 2000 and 2031, \$43.8 billion in investments transportation infrastructure are projected; 68% of these investments are projected to be in roads and highways under business-as-usual scenarios.

At the same time, air quality has emerged as a major public health concern. Southern and south-western Ontario are frequently affected by severe smog episodes. It is estimated that each year 1,900 premature deaths, 13,400 hospital admissions, 45,250 emergency room visits and 46.66 million minor illness days can be attributed to poor air

quality in the province.<sup>2</sup> Health effects due to air pollution are estimated to cost the province's economy \$9.9 billion per year.<sup>3</sup>

As illustrated in Table 3, road vehicles are major contributors to the province's air quality problems:<sup>4</sup>

**Table 3 Road Vehicle Contribution to Ontario Emissions of Smog Precursors and GHGs**

<b>Pollutant</b>	<b>Road Vehicle Contribution to Total Ontario Emissions</b>
Volatile Organic Compounds (VOCs)	19%
Particulate Matter < 10 microns (PM <sub>10</sub> )	12%
Nitrogen Oxides (NO <sub>x</sub> )	35%
Carbon Monoxide (CO)	45%
Greenhouse gases (GHGs)	28%

Passenger transportation makes up a significant portion of these emissions. Cars and light trucks, for example, make up 54% of total transportation-related GHG emissions.<sup>5</sup>

As illustrated in Table 4, public transit and other alternatives to the automobile are associated with much lower emissions per distance traveled per passenger than automobile travel.<sup>6</sup>

**Table 4 A Comparison of Vehicle Emissions by Mode (grams per passenger kilometre traveled)<sup>7</sup>**

<b>Mode</b>	<b>CO<sub>2</sub></b>	<b>NO<sub>x</sub></b>	<b>VOCs</b>	<b>SO<sub>2</sub></b>	<b>CO</b>	<b>PM</b>
Urban Automobile	223.6	0.9	1.4	0.1	11.6	0.2
Urban Bus	74.9	0.6	0.1	1.0	0.5	0.2

<sup>2</sup> Ontario Medical Association. 2000. *The Illness Costs of Air Pollution in Ontario: A Summary of Findings*. Toronto: Ontario Medical Association. Updated via personal communication with John Wellner, Director, Environment Programs, OMA, 15 January 2003.

<sup>3</sup> Ontario Medical Association. 2000. *The Illness Costs of Air Pollution in Ontario: A Summary of Findings*. Toronto: Ontario Medical Association . Updated via personal communication with John Wellner, Director, Environment Programs, OMA, 15 January 2003.

<sup>4</sup> Ontario Ministry of the Environment. Undated. *Air Quality in Ontario: 2000 Report*. Ottawa: Ontario Ministry of the Environment.

<sup>5</sup> Canadian Urban Transit Association, Moving the Economy, Regional Municipality of Ottawa–Carleton and Pollution Probe. 2001. *Trans-Action 2001: Towards Economic and Environmental Health*.

<sup>6</sup> See, for example, Canadian Urban Transit Association, Moving the Economy, Regional Municipality of Ottawa–Carleton and Pollution Probe. 2001. *Transaction 2001: Towards Economic and Environmental Health*, pg.4.

<sup>7</sup> Note that transit as a whole, including such modes as LRT systems, streetcars, subways and commuter rail, has lower emissions than an average urban bus. The introduction of lower sulphur diesel fuel and new heavy-vehicle emissions standards will further reduce typical bus emissions.

As a result, the proportional decrease in transit use and increase in automobile use associated with the continuation of current urban growth patterns has serious negative implications for air quality in the province.

These adverse effects of sprawling development patterns in the region will be further exacerbated by the local impacts of global climate change. Environment Canada projects that over the next 30 years climate change will add significantly to the environmental and infrastructure stresses experienced by the province, with increased incidences of severe weather, accelerated deterioration of infrastructure due to weather effects, smog episodes of greater intensity and frequency as a result of increased summertime temperatures, more severe impacts on human health and agriculture due to the combination of increased heat and smog, and reductions in water supply in Southern Ontario from both groundwater and surface sources.<sup>8</sup>

Fortunately, this is not the only possible future for the region. In contrast to these business-as-usual outcomes, a smart growth strategy would offer the potential to

The advantages of smart growth: “By more evenly distributing growth and taking advantage of sunk infrastructure investment, the regional economy is strengthened, residents’ quality of life is enhanced, and outer-area natural resource systems are protected and restored.” (Burchell, R.W., and D. Listokin. 2001. *Linking Vision with Capital: The Challenges and Opportunities in Financing Smart Growth*. Arlington, VA: The Research Institute for Housing in America, p. 1.

- protect ecologically significant areas, prime farmland, and drinking water sources by focusing new development in existing urban areas, rather than in new “greenfields” sites.
- reduce emissions of smog precursors and GHGs, particularly from transportation sources, through land use patterns that make alternatives to the automobile viable and attractive transportation options.
- provide for more sustainable infrastructure development and maintenance costs by using and upgrading existing infrastructure and extending new infrastructure over reduced distances.
- increase economic efficiency due to decreased travel times and congestion.
- create more attractive, close-knit, distinctive and liveable communities.

<sup>8</sup> Environment Canada, *The Canada Country Study: Climate Impacts and Adaptation, Ontario Region Executive Summary*. Ottawa: Environment Canada. <http://www.on.ec.gc.ca/canada-country-study/intro.html>, Accessed 10 December 2002. See also Q.Chiotte et.al.. 2002. *Towards An Adaptation Action Plan: Climate Change and Health in the Toronto–Niagara Region*. Toronto: Pollution Probe Foundation.

## A Smart Growth Agenda vs. Provincial Action to Date

The Pembina Institute's February 2003 report outlined a provincial policy framework for smart growth in Ontario, drawing on materials from governmental, academic, non-governmental, and institutional sources, ranging from the Federation of Ontario Naturalists<sup>9</sup> to the Toronto Dominion Bank<sup>10</sup> and the C.D. Howe Institute.<sup>11</sup> The major elements of this framework in the areas of land use planning, finance and taxation, infrastructure, sustainable energy and governance are outlined in Table 5, along with a brief summary of provincial progress in these areas since 1996.

**Table 5 A Smart Growth Agenda for Ontario vs. Provincial Action To Date**

Smart Growth Policies	Provincial Action To Date (as of August 2003)
<b>Provincial Infrastructure Funding</b>	
Make provincial infrastructure investments on the basis of smart growth criteria.	No smart growth or other sustainability criteria have been established for SuperBuild or other provincial infrastructure investments, such as Ontario Small Town and Rural (OSTAR) Development Initiative.  Bill 25, <i>The Smart Transportation Act</i> , introduced in May 2003, would allow the Ministry of Transportation to override municipal smart growth plans and the <i>Environmental Assessment Act</i> in the establishingment of transportation infrastructure (i.e., highway) corridors.
Focus transportation infrastructure investments on non-automobile-based modes of transportation.	Provincial transportation investments have been overwhelming focused on highway expansion, with SuperBuild Corporation spending an average of \$1 billion/year on highway expansion since its creation in 1999. <sup>12</sup> From 1999/00 to 2001/02 SuperBuild transportation investments were more than 90% in highways and less than 10% in other forms of transportation. For 2002/03, 77.5% of SuperBuild transportation investments were in highways and 15% were in transit.

<sup>9</sup> <http://www.ontarionature.org/enviroandcons/issues/sprawl.html>

<sup>10</sup> See, for example, TD Economics. 2002. *The Greater Toronto Area (GTA): Canada's Primary Economic Locomotive in Need of Repairs*. Toronto: TD Bank Financial Group.

<sup>11</sup> See, for example, Slack, E. 2002. *Municipal Finance and the Pattern of Urban Growth*. CD Howe Institute Commentary 160. Toronto: CD Howe Institute.

<sup>12</sup> 1999/00: \$937 million; 2000/01: 1,049 million; 2001/02: \$906 million; 2002/03: \$1,023 million; and 2003/04: \$1,055 million.



	<p>In 2003/04, investments will be 70% in highways and 24% in transit.</p> <p>Major highway projects proposed by SuperBuild and the Ministry of Transportation for the central region include the following (see Map Figure 1):</p> <ul style="list-style-type: none"> <li>the eastward extension of Highway 407 to Highway 35/115</li> <li>the extension of Highway 404 around the east and south sides of Lake Simcoe</li> <li>the northward and eastward extension of Highway 427 to Barrie</li> <li>a new mid-peninsula highway from Burlington to Niagara Falls</li> <li>a new east-west GTA transportation corridor north of the Oak Ridges Moraine</li> <li>the extension of Highway 410 northwards to “at least” Highway 89.</li> </ul>
Focus investment on upgrading existing systems, and intensifying existing urban areas.	SuperBuild highway investments are focused on the expansion of the highway network beyond existing urban areas.

Land Use	
Make local planning decisions consistent with Provincial Policy.	1996 amendments to the <i>Planning Act</i> only require that decisions “have regard to” provincial policies. The 1995 version of the Act required that planning decisions “be consistent with” provincial policy.
Ensure a significant role for Ministries of Environment and Natural Resources in planning process.	1996 amendments to the <i>Planning Act</i> severely constrain the roles of the Ministry of Environment and the Ministry of Natural Resources.
<p>Revise the Provincial Policy Statement issued under the <i>Planning Act</i> to support development forms for which non-automobile transportation modes are viable, including mixed uses</p> <p>support intensification and minimum density requirements</p> <p>protect prime agricultural lands, ecologically significant areas, and source water-related lands</p> <p>reduce/eliminate need to hold reserves of non-urban lands for future development</p> <p>establish urban containment boundaries.</p>	<p>Key elements, including ensuring viability of non-automobile-based modes, intensification, and protection of prime agricultural lands, ecologically significant areas, and source water-related lands, were contained in the 1995 Provincial Policy Statements. They were weakened or removed in the 1996 revision, which remains in place.</p> <p>There has no change made to date in the Provincial Policy Statement as a result of a five-year review initiated in July 2001.</p> <p>The December 2001 Oak Ridges Moraine Conservation Act, 2001 and Oak Ridges Moraine Conservation Plan (released in 2002) introduced some protection for moraine lands, but did not address issues on a province- or region-wide basis.</p>

	No action has been taken on the Walkerton Inquiry recommendations regarding source water protection beyond the establishment of the Advisory Committee on Watershed-Based Source Protection Planning.
Support protection of agricultural and ecologically significant lands through fiscal and stewardship initiatives such as land trusts agricultural reserves conservation easements green space conversion taxes agricultural cross-compliance public education.	<i>The Fair Municipal Finance Act, 1997</i> included provisions providing favourable property tax treatment of agricultural, managed forest and conservation lands.  The concept of agricultural reserves was rejected by the government.  No action has been taken on greenspace conversion taxes or agricultural cross-compliance.
Promote transit supportive planning guidelines.	No action has been taken to date.
Adopt and promote alternative development standards. <sup>13</sup>	The province played a minor supportive role on stormwater management standards. No action has been taken on other standards.
Support brownfields re-development by addressing liability and remediation financing issues for contaminated “orphan” sites.	The November 2001 <i>Brownfields Statute Law Amendment Act</i> addresses some aspects, but gaps remain, particularly regarding remediation of severely contaminated “orphan” sites.

<b>Fiscal and Taxation Framework</b>	
Remove subsidies and fiscal incentives for urban sprawl.	The land transfer tax rebate program introduced in 1996 provides strong incentives for the purchase of new homes in new developments. This is effectively an incentive for urban sprawl.  Property tax rebates for vacant commercial and industrial buildings may provide incentives against re-development of underutilized urban buildings.
Ensure the full internalization of infrastructure costs of new developments outside existing urban areas.	<i>The Development Charges Act, 1997</i> severely restricts the ability of municipalities to require internalization of infrastructure costs for new developments.
Reform the property tax regime to move utility costs to cost-recovery basis separate taxation of land and buildings provide incentives for higher value uses of	<i>The Sustainable Sewerage and Water System Act, 2002</i> moves towards cost recovery for water and sewer services.

<sup>13</sup> Development standards are those provincial and municipal standards that deal with such matters as the width of roads and stormwater management.

<p>vacant land and buildings, and underused urban lands, such as parking lots.</p>	<p>The <i>Fair Municipal Finance Act</i> and the <i>Fairness to Property Taxpayers Act</i> focus on taxation of land and buildings, and severely constrain the ability of municipalities to modify their property tax systems.</p> <p>The property tax rebate on vacant commercial and industrial buildings provides disincentives to re-development.</p>
<p>Structure transportation funding to provide provincial operating support for public transit</p> <p>charge vehicle sales tax and licensing fees on the basis of weight and fuel economy</p> <p>use fuel taxes and road use fees to internalize costs of automobile use and finance transportation alternatives.</p>	<p>Provincial operating and capital support for public transit (\$718 million in 1996) was terminated in January 1997.</p> <p>Provincial operating support for public transit has not been restored.</p> <p>Some transit capital funding has been restored via SuperBuild since September 2001 (\$300 million/year over ten years was announced). Actual spending in 2002/03 was less than \$200 million. Projected spending for 2003/04 is \$359 million, focused on GO Transit expansion.</p> <p>SuperBuild expenditures on highway expansion continue at \$1 billion/year.</p> <p>No action has been taken to modify the vehicle licensing system.</p> <p>A sales tax rebate of up to \$1000 is available for alternative fuel-powered and hybrid automobiles and light trucks.</p> <p>No movement has been made on the use of fuel taxes to support public transit.</p> <p>Tolls are currently applied to Highway 407 and are being considered from some new highway proposals.</p>

<b>Sustainable Energy</b>	
<p>Enforce individual and net metering of electricity supplies.</p>	<p>No action has been taken.</p>
<p>Establish renewable portfolio standards requiring that a portion of province's electricity supply come from renewable sources.</p>	<p>No provision has been made in the electricity competition framework.</p> <p>In November 2002 the government committed to reduce its own energy consumption by 10% and to obtain 20% of its own supply from renewable sources. The government also announced tax incentives for renewable</p>

	<p>generation.</p> <p>In July 2003 the government announced a Renewable Portfolio Standard beginning at 1% in 2006 and rising to 8% of electricity supply by 2014. However, no legislation or regulations to implement the standard have been announced or adopted to date.</p>
Introduce incentives for energy retrofits.	None. Community-based energy efficiency initiatives were terminated in 1995/96, and no new incentives have been introduced.
Strengthen the building code regarding energy efficiency.	In some areas the Ontario Building Code is weaker than the National Energy Code.
Promote district energy systems.	No action has been taken.
Provide incentives for energy suppliers and distributors to promote more efficient use.	Incentives area in place for natural gas suppliers via Ontario Energy Board. To date no action has been taken on electricity.

<b>Governance</b>	
Regional integration of key services and infrastructure, particularly transit.	<p>The Greater Toronto Services Board (GTSB) was disbanded January 2001 and has not been replaced.</p> <p>The mandate and resources of conservation authorities were significantly curtailed from 1995 onwards.</p>
Reform the Ontario Municipal Board.	<p>No action has been taken on reform of appointment process.</p> <p>No action on reform of appeal process.</p> <p>No action on intervener funding.</p>
Address City of Toronto and other amalgamated city functionality.	Since forced amalgamation, no action has been taken except to reduce the number of wards. Periodic financial assistance has been extended, but there has been no resolution of the underlying financial problems flowing from provincial policy.
Reform municipal electoral finance.	No action has been taken.

## Conclusions

The Pembina Institute's February 2003 report concluded that there had been very little progress on the implementation of smart growth policies in Ontario in the two years since Premier Harris's announcement of the province's smart growth initiative. The Pembina Institute found that there had been progress in a few areas, such as the adoption of legislation to deal with some liability issues related to the redevelopment of former industrial sites (i.e., brownfields), and the adoption of the *Oak Ridges Moraine Conservation Act*. For most part, however, the provincial land use and fiscal policies that were encouraging and facilitating urban sprawl in Ontario have remained in place.

Little has changed over the past six months. Despite the tabling of the reports of both the Central Region Smart Growth panel and Advisory Committee on Watershed-Based Source Protection, no changes have been made or announced to the province's land use planning policies.

Since September 2001, the province has been gradually moving back into providing capital support for transit services. The centrepiece of the province's infrastructure investments, however, remains the SuperBuild Corporation's highway investment program (see Figure #1). Bill 25, *The Smart Transportation Act*, introduced in May 2003, would allow the Ministry of Transportation to override municipal planning decisions and the *Environmental Assessment Act* in locating "transportation infrastructure corridors" (i.e., highways). The bill highlights the degree to which the highway program is proceeding in isolation from any overall smart growth agenda for the province.

The completion of the highway grid in the central region as proposed by SuperBuild and the Ministry of Transportation would preclude the possibility of a smart growth future for the region. It would encourage urban sprawl far beyond existing urban areas, and lock in infrastructure and other investments that will be difficult if not impossible to reverse. The likely consequences of this path for the health, quality of life and financial sustainability of communities in central Ontario in terms of increasing smog and GHG emissions, losses of prime farmland and ecologically significant areas, threats to water supplies, growing congestion and falling economic efficiency, and less and less sustainable infrastructure costs are well understood.

If the government of Ontario is serious about its pursuit of a smart growth future for the province, then it must bring its infrastructure investments and other policies into line with such a vision. The future well-being of Ontario residents depends on it.

## Appendix 1 Smart Growth in Ontario: A Chronology

June 1992	Release of the report of the Commission on Planning and Development Reform in Ontario. Report places strong emphasis on compact development, non-automobile transportation modes, preservation of prime agricultural land and ecologically significant areas.
March 1995	Amendments to the <i>Planning Act</i> adopted to implement Commission on Planning and Development Reform recommendations. Complete set of provincial policy statements adopted.
March 1996	Adoption of Bill 20, the <i>Land Use Planning and Protection Act</i> , and adoption of new provincial policy statement. Key reforms flowing from Commission on Planning and Development Reform repealed.
May 1996	Release of 1996 Budget. Land Transfer Tax Rebate on purchases of newly built homes introduced.
January 1997	Mega-week announcements of restructuring of provincial–municipal relationship. Provincial capital and operating funding for public transit and sewer and water infrastructure terminated.
May 1997	<i>Fair Municipal Finance Act</i> introduced market value assessment. Includes provisions to reduce the property tax burden on farm, managed forest and conservation lands.
December 1997	<i>Development Charges Act</i> enacted. Legislation limits ability of municipalities to require that developers internalize the infrastructure costs for new developments through development charges.
January 1998	Forced amalgamation of the City of Toronto.
October 1998	<i>Energy Competition Act</i> enacted.
December 1998	<i>Fairness to Property Taxpayers Act</i> enacted. Introduces significant limitations on the ability of municipalities to set and modify property tax rates.
January 1999	Great Toronto Area Services Board established to review and promote integration of transit systems in the GTA.

December 1999	SuperBuild Corporation established with five-year mandate to achieve \$20 billion in infrastructure investments through provincial, broader public sector and private sector partnerships.
May 2000	Release of 2000/01 Provincial Budget. SuperBuild investments of \$1.049 billion in highways, \$62 million in “other transportation” announced.
January 2001	Greater Toronto Area Services Board disbanded.  Premier Harris makes speech to Ontario Real Estate Board expressing concern over congestion and urban sprawl, and introducing the concept of “smart growth.”
April 2001	Province announces smart growth initiative. Key feature is regional multi-stakeholder smart growth panels. Central Region panel includes the GTA and Niagara region.
May 2001	<i>Oak Ridges Moraine Protection Act</i> enacted. Provides temporary restrictions on development on the Moraine.  Release of 2001/02 Provincial Budget. SuperBuild investments of \$906 million in highways, \$50 million in transit announced.
July 2001	Five-year review of Provincial Policy Statement initiated. Public consultations end October 2001. No changes in Policy Statement to date.
September 2001	Announcement of new capital funding commitment for public transit of \$300 million per year over ten years.
November 2001	<i>Brownfields Statute Law Amendment Act</i> adopted. Addresses certain issues related to liability and financing of brownfields re-development.
December 2001	Revised <i>Municipal Act</i> adopted.  <i>Oak Ridges Moraine Conservation Act</i> enacted and plan adopted.
May 2002	Competitive electricity market introduced.  Release of 2002/03 Provincial Budget. SuperBuild investments of \$1.03 billion in highways, \$193 million in transit announced.

August 2002	Release of the Interim Report of the Central Region Smart Growth Panel. Recognizes linkages between land use and transportation and between transportation and air quality.
November 2002	Competitive electricity market terminated.
December 2002	<i>Sustainable Sewerage and Water System Act</i> enacted.  <i>Safe Drinking Water Act</i> enacted.
February 2003	Release of Central Region Smart Growth Panel Discussion Paper, <i>Shape the Future</i> . Report highlights linkages between transportation and land use and the need to protect ecologically significant areas, but also emphasizes development of network of transportation “corridors” (i.e., highways).
March 2003	March 27: Tabling of the 2003/04 Provincial Budget. Budget includes \$1.055 billion for highway expansion, and \$359 million for public transit.
April 2003	April 17: Central Region Smart Growth Panel releases final report, <i>Shape the Future</i> . Report highlights linkages between transportation and land use and the need to protect ecologically significant areas, but also emphasizes development of network of transportation “corridors” (i.e., highways).  April 21: Advisory Committee on Watershed-Based Source Water Protection Planning tables report. Report follows up on recommendations of Part II of the Walkerton Inquiry regarding source water protection, and makes strong connections between source water protection and land use planning.
May 2003	May 7: Bill 25, the <i>Smart Transportation Act</i> , introduced. Legislation would permit Minister of Transportation to override municipal land use planning decisions and the <i>Environmental Assessment Act</i> in the location of transportation infrastructure corridors (i.e., highways).
June 2003	June 4: Government announces transportation investments in Central Region. In addition to expansion of GO Transit service, the announcement highlights the government’s plans to construct a grid of highways across the Golden Horseshoe.  June 16: City of Burlington and Halton Region apply for judicial review of the environmental assessment of the proposed Mid-



Peninsula Highway, stating that the terms of reference for the environmental assessment fail to consider alternatives to the highway or to review the highway's full environmental impact.

June 18: Richmond Landfill decision by Ontario Divisional Court requiring that environmental assessments of projects under the *Environmental Assessment Act* include consideration of the need for projects and "alternatives" to projects. The decision has major implications for the province's highway expansion program, as environmental assessments for the new highways were proceeding without consideration of need and "alternatives to" (i.e. consideration of transit, rail, as alternatives to new highways).

June 27: In the face of public opposition, litigation by the City of Burlington and Halton Region, and the Richmond Landfill decision, the Ministry of Transportation withdraws the Terms of Reference for the environmental assessment of the Mid-Peninsula Highway for revision.

July 2003

July 3: Government announces renewable portfolio standard for renewable energy sources. Proportion of electricity from renewable sources is to rise from 1% in 2006 to 8% in 2014. No specific legislation or regulations to implement the standard have been announced to date.

The Pembina Institute is an independent non-profit research, education and advocacy organization that promotes environmental, social and economic sustainability through the development of practical solutions for businesses, governments, individuals and communities. The Pembina Institute provides policy research leadership on climate change, energy policy, green economics, renewable energy, and environmental governance, as well as extensive formal and public education programs. More information about the Pembina Institute is available at [www.pembina.org](http://www.pembina.org).

